

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00
INR-07 NSAE-00 OMB-01 TRSE-00 AID-05 EB-07 SSO-00
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O 091401Z JUN 77

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC IMMEDIATE 2951

C O N F I D E N T I A L BRIDGETOWN 1324

EO 11652: GDS

TAGS: EAID, DO, XL, UK

SUBJECT: BRITISH AID TO ASSOCIATED STATES

REF STATE 132079

1. FOR LATEST COMPLETE BRITISH FINANCIAL YEAR, AID APPROVALS (I.E. "OBLIGATIONS" IN US PARLANCE) FOR GRENADA, THE FIVE ASSOCIATED STATES, AND THE COLONIES TOTALED APPROXIMATELY 7.5 MILLION POUNDS STERLING. ABOUT 2 MILLION POUNDS OF THAT WAS BUDGETARY ASSISTANCE FOR ST. VINCENT, DOMINICA AND THE COLONIES. HOWEVER, BUDGETARY AID TO ONLY DOMINICA (AND ST. VINCENT) FOR THE PERIOD JUNE 1-DECEMBER 31, 1976 WAS APPLIED UNDER THE AEGIS OF THE "EMERGENCY FUND" WHICH INCLUDED NOMINAL INPUTS FROM THE MDC'S (BARBADOS, GUYANA, JAMAICA, TRINIDAD). DISBURSEMENTS UNDER THE EMERGENCY FUND WERE SUSPENDED AT THE END OF 1976 AND FURTHER EMERGENCY FUND AID IS TO BE CONTINGENT ON A COMMON SERVICES AGREEMENT. (CURRENT STATUS OF COMMON SERVICES MATTER IS DESCRIBED IN BTN A-034 WHICH IS ENROUTE TO THE DEPARTMENT. IN SHORT, SOME ISLANDS HAVE AGREED TO AS MANY AS EIGHT SPECIFIC COMMON SERVICES, SUCH AS "AUDIT", OTHERS HAVE AGREED TO ONLY A SMALLER NUMBER WHILE ONE, ST. KITTS, HAS AGREED ONLY "IN PRINCIPLE.")

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2. CONFUSION AS TO CURRENT EXISTENCE OF BUDGETARY SUPPORT (CITED IN REFTTEL) PROBABLY STEMS FROM THREE FACTS:
A) ALTHOUGH EMERGENCY FUND BUDGETARY AID TO DOMINICA AND ST. VINCENT THEORETICALLY ENDED ON DECEMBER 31, 1976, NORMAL LAG IN DISBURSEMENTS MEANT MONIES DID NOT ACTUALLY STOP FLOWING UNTIL A SHORT WHILE AGO;

B) BRITISH OFFICIALS HERE ALLUDE TO SOME "UNDER THE TABLE" BUDGETARY SUPPORT TO DOMINICA. THIS IS REFERRED TO, EUPHIMISTICALLY, AS AN "OVERDRAFT GUARANTEE" AND WAS USED TWICE RECENTLY WHEN GOD WAS UNABLE TO MEET ITS MONTHLY CIVIL SERVICE PAYROLL.

C) BUDGETARY ASSISTANCE TO COLONIES CONTINUES AND SOME UK OFFICIALS MAY BE MIXING UP RECIPIENTS' IDENTITIES.

3. SINCE EMERGENCY FUND/BUDGETARY AID QUESTION IS KEY ONE, EMBASSY OFFICERS DISCUSS MATTER WITH UK COUNTERPARTS ON A CONTINUING BASIS. SUCH DISCUSSIONS REVEAL INTRA-HMG DEBATE ON WISDOM/EFFICACY OF USING BUDGETARY AID AS LEVER TO FORCE ACCEPTANCE OF COMMON SERVICE SYSTEM, AND (2) SENSITIVITY OVER EXISTENCE OF SOME SEMI-SECRET AND AD HOC BUDGETARY AID

4. IN SPITE OF IRREGULAR BUDGETARY AID TO DOMINICA, HMG CLEARLY MEANS TO GET OUT OF THAT PART OF THE AID BUSINESS. NONETHELESS, THE ATTEMPT TO FORCE COMMON SERVICES BY WITHHOLDING BUDGETARY AID WILL PROBABLY FAIL IN THE LONG RUN.

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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: FOREIGN ASSISTANCE PROGRAMS, AID RECIPIENTS
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
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TAGS: EAID, DO, XL, UK
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